

project the Partnership will provide for each year from non-Federal funds, subject to the requirements in paragraph (b) of this section; and

(2) Comply with the matching percentage stated in its application for each year of the project period.

(b) *Matching requirements.* (1) A Partnership must provide not less than 20 percent of the cost of the project from non-Federal funds for any year in the project period.

(2) The non-Federal share of the cost of the GEAR UP project must be not less than 50 percent of the total cost over the project period.

(3) The non-Federal share of the cost of a GEAR UP project may be provided in cash or in-kind.

(Approved by the Office of Management and Budget under control number 1840-0740)

(Authority: 20 U.S.C. 1070a-23)

§ 694.9 What are the requirements that a Partnership must meet in designating a fiscal agent for its project under this program?

A Partnership must designate as the fiscal agent for its project under GEAR UP—

- (a) A local educational agency; or
- (b) An institution of higher education that is not pervasively sectarian.

(Authority: 20 U.S.C. 1070a-22)

§ 694.10 What are the requirements regarding the amount of a GEAR UP scholarship, and its relationship to other Federal student financial assistance?

(a) *In general.* Except as provided in paragraph (b) of this section, a State, or a Partnership that chooses to include a scholarship component in its GEAR UP project—

(1) Must award a scholarship under the scholarship component that is at least the lesser of—

(i) Seventy-five (75) percent of the average cost of attendance, as determined under section 472 of the Higher Education Act of 1965, as amended (HEA), for in-State students in a 4-year program of instruction at public institutions of higher education in the State; or

(ii) The maximum Federal Pell Grant award funded for that fiscal year.

(2) Must not award a GEAR UP scholarship to a student in an amount that, in combination with other student financial assistance awarded under title IV of the HEA, exceeds the student's cost of attendance, as defined in section 472 of that Act.

(b) If a student who is awarded a GEAR UP scholarship attends an institution on a less than full-time basis during any academic year, the State or Partnership awarding the GEAR UP scholarship must reduce the scholarship amount proportionately.

(c) A GEAR UP scholarship must not be considered in the determination of a student's eligibility for other grant assistance provided under title IV of the HEA.

(Authority: 20 U.S.C. 1070a-25)

§ 694.11 What requirements must a State, or a Partnership that chooses to include a scholarship component in its project, follow in awarding scholarships under the program's scholarship component?

(a) *Pell Grant recipient priority.* A State, or a Partnership that chooses to include a scholarship component in its GEAR UP project, must award GEAR UP scholarships—

- (1) To students who—
 - (i) Are eligible for a GEAR UP scholarship; and
 - (ii) Will receive a Federal Pell Grant for the academic year for which the GEAR UP scholarship is being awarded; and
- (2) If the State or Partnership has GEAR UP scholarship funds remaining after awarding scholarships to students under paragraph (a)(1) of this section, to other eligible students (who will not receive a Federal Pell Grant) after considering the need of those students for GEAR UP scholarships.

(b) *Continuation scholarships.* A State or a Partnership must award continuation scholarships in successive award years to each student who received an initial scholarship and who continues to be eligible for a scholarship.

(c) *Order of scholarships.* In awarding GEAR UP scholarships, a State or Partnership must ensure that, for each recipient of a scholarship under this part who is eligible for and receiving other postsecondary student financial

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assistance, a Federal Pell Grant be awarded first, other public and private grants, scholarships, or tuition discounts be awarded second, a GEAR UP scholarship be awarded third, and then other financial assistance be awarded.

(Authority: 20 U.S.C. 1070a-25)

§ 694.12 Under what conditions may a Partnership that does not participate in the GEAR UP scholarship component provide financial assistance to students under the GEAR UP early intervention component?

A GEAR UP Partnership that does not participate in the GEAR UP scholarship component may provide financial assistance for postsecondary education to students who participate in the early intervention component only if the financial assistance is directly related to, and in support of, other activities of the Partnership under the early intervention component of GEAR UP.

(Authority: 20 U.S.C. 1070a-21 to 1070a-28)

§ 694.13 How does a State determine which State agency will apply for, and administer, a State grant under this program?

The Governor of a State must designate which State agency applies for, and administers, a State grant under GEAR UP.

(Authority: 20 U.S.C. 1070a-21 to 1070a-28)

§ 694.14 What requirements must be met by a Partnership or State participating in GEAR UP with respect to 21st Century Scholar Certificates?

(a) A State or Partnership must provide, in accordance with such procedures as the Secretary may specify, a 21st Century Scholar Certificate from the Secretary of Education to each student participating in the early intervention component of its GEAR UP project.

(b) 21st Century Scholar Certificates must be personalized and indicate the amount of Federal financial aid for college that a student may be eligible to receive.

(Authority: 20 U.S.C. 1070a-26)

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§ 694.15 What requirements apply to a State that served students under the National Early Intervention Scholarship and Partnership program (NEISP) and that receives a GEAR UP grant?

Any State that receives a grant under this part and that served students under the NEISP program on October 6, 1998 must continue to provide services under this part to those students until they complete secondary school.

(Authority: 20 U.S.C. 1070a-21)

§ 694.16 What priority must the Secretary establish?

For any fiscal year, the Secretary must select any State grant applicant that—

(a) On October 6, 1998, carried out successful educational opportunity programs under the National Early Intervention Scholarship and Partnership program (as that program was in effect on that date); and

(b) Has a prior, demonstrated commitment to early intervention leading to college access through collaboration and replication of successful strategies.

(Authority: 20 U.S.C. 1070a-21)

§ 694.17 What priorities may the Secretary establish?

For fiscal year 1999, the Secretary may select one or more of the following priorities:

(a) Projects by Partnerships or States that serve a substantial number or percentage of students who reside in an Empowerment Zone, including a Supplemental Empowerment Zone, or Enterprise Community designated by the U.S. Department of Housing and Urban Development or the U.S. Department of Agriculture.

(b) Partnerships that establish or maintain a financial assistance program that awards scholarships to students either in accordance with section 404E of the HEA, or in accordance with § 694.12.

(Authority: 20 U.S.C. 1070a-21 to 1070a-28)